

Quarterly update

June 2019

Financial information is shown as at 31 March 2019



COMMERCIAL
BAY

DEAR SHAREHOLDER,

We are pleased to provide shareholders with an update since our interim results earlier this year.

SUCCESSFUL EQUITY ISSUE

During the quarter, Precinct raised \$151.8 million through a an underwritten placement (Placement) and underwritten retail offer (Retail Offer).

We were pleased with the investment demand shown from both our institutional and retail investors. \$130 million was raised through the Placement and applications totalling \$21.8 million was received via the Retail Offer which exceeded the offer size of \$20 million.

The funds raised have been initially used to repay bank debt and provide additional capacity to deliver on medium term opportunities including Bowen Campus Stage Two and Wynyard Quarter Stages Three and Four, and provide flexibility for growth opportunities when they arise.

LONG TERM FUNDING SECURED

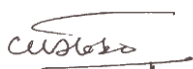
In April, Precinct announced it borrowed US\$110 million (NZ\$162.8 million) for 10 and 12 year terms through a United States Private Placement (USPP) issue.

This is the second successful USPP issue Precinct has undertaken since late 2014. This transaction demonstrates the strong demand from US investors and further reinforces investor confidence in the quality of our business. The USPP issuance continues to add valuable funding diversity to Precinct's borrowings, increasing the weighting of non-bank funding while also improving tenor. The proceeds of the issue will be used to repay bank debt.

OUTLOOK

Full year operating earnings after tax for the 2019 financial year are expected to be around 6.60 cents per share, before performance fees. Dividend guidance also remains unchanged at 6.00 cents per share, representing a 3.4% increase in dividends to shareholders. Our 2019 year end results announcement will be on the 16th of August where the Board will provide 2020 earnings and dividend guidance.

Yours faithfully,



Craig Stobo, Chairman

DIVIDEND

Payment date	21 June 2019
Excluded dividend per share	1.149658 cents per share (cps)
Fully imputed dividend per share	0.350342 cps
Cash dividend per share	1.50 cps
Imputation credits	0.136244 cps

INDICATIVE DIVIDEND PAYMENT DATES

	Proposed
4th Quarter 2019 financial year	27 September 2019
1st Quarter 2020 financial year	6 December 2019

These dates represent the current expectation of Precinct(PCT) as at the date of publication, are subject to PCT board approval, may change without notice and are not a guarantee or warranty as to the payment of a dividend or the actual payment dates.

FINANCIAL SUMMARY

as at 31.03.2019

Year to date (Unaudited)

Dividends declared	4.50 cps
Full year forecast operating earnings per share (before performance fees)	6.60 cps
Full year forecast dividend per share	6.00 cps

Balance sheet	Unaudited 31 March 19	Audited 30 June 18
Total assets	\$2,581.1 m	\$2,561.7 m
Net equity	\$1,808.5 m	\$1,690.7 m
Number of shares on issue	1,313.8 m	1,211.1 m
Net tangible assets per share	\$1.38	\$1.40
Bank covenant gearing (%)	20.7%	25.0%

SHAREHOLDER RETURNS

Total gross return	Precinct (NZX: PCT)	Listed Property
March quarter	6.4%	8.5%

Returns are based on close price for the quarter, and assume reinvestment of dividend (returns exclude imputation credits). Listed property is the S&P/NZX All Real Estate Gross index. Source IRESS

PRECINCT KEY METRICS (31.03.19)

\$2.6bn

Portfolio value

100%

Overall occupancy

8.6years

Weighted average lease term

\$2.0bn

Market cap

5.8%

Weighted average cap rate

68%

Weighting to Auckland(by value)

COMMERCIAL BAY

PROJECT UPDATE

Following a detailed independent review of the construction programme in May 2019 for Commercial Bay, the previously disclosed targeted opening dates have now been revised. The revised targeted opening dates are March 2020 for the retail centre and April 2020 for the new PwC Tower. This is due to observed delays in construction progress by the main contractor, Fletcher Construction, across both the Tower and retail centre components.

Due to this revision the forecasted total project cost is now expected to be between \$690 million and \$700 million with the potential increase of up to \$10 million reflecting the cost of delays to opening. The yield on cost is expected to remain largely unchanged in a range of 7.4% to 7.5%, ensuring that the development remains on track to deliver the expected benefits to Precinct's long-term earnings. Pleasingly, retail leasing commitment has increased to above 92%, and office leasing continues to advance, with further leasing beyond the currently committed 80% progressing well.

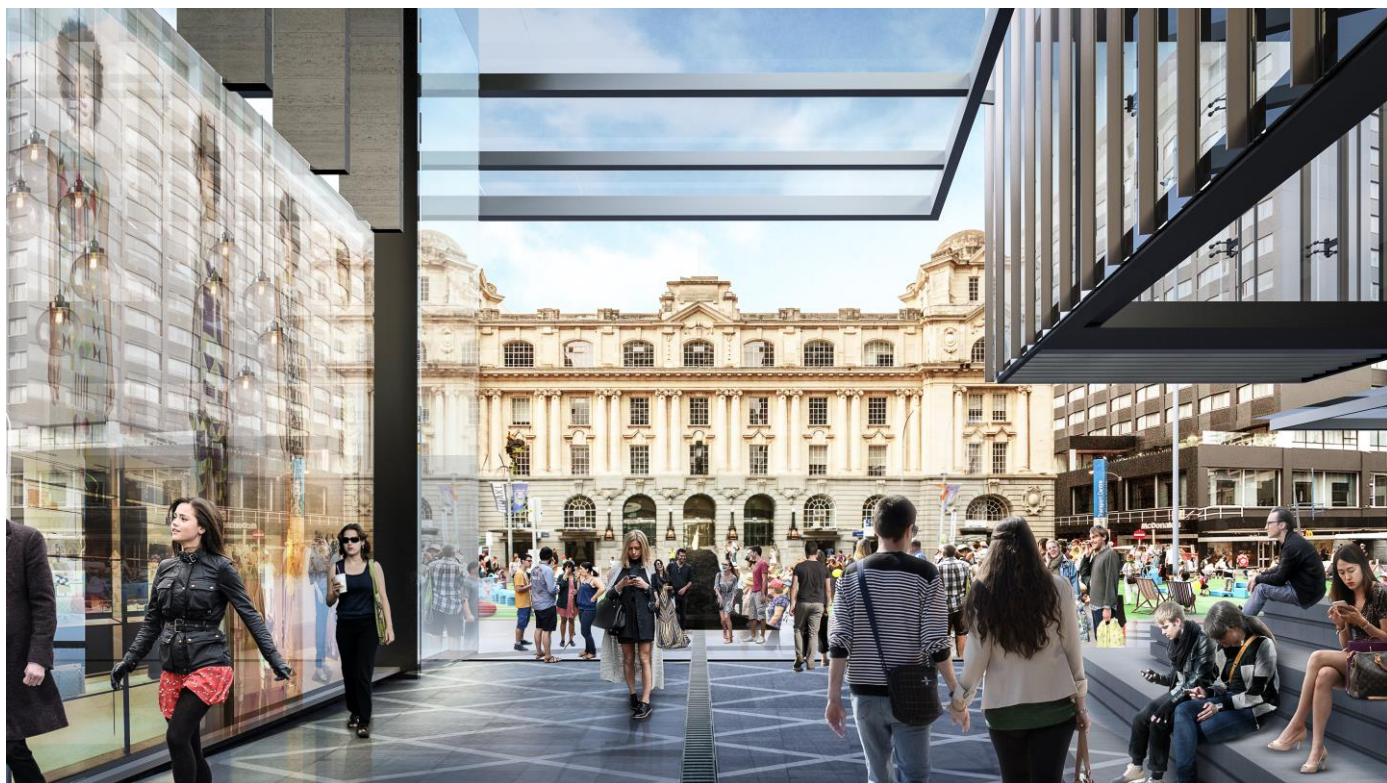
You can read the full NZX release - Commercial Bay Programme Update, announced last month [here](#) or by visiting Precinct's website at <https://www.precinct.co.nz> under the Investors section, reporting and disclosure documents.

RETAILERS ANNOUNCED

With 120 brand new retailers, the retail offer set to open in Commercial Bay will be a varied mix of international retail giants and smaller New Zealand brands and will include a number of new market entrants. Around 44 of the 120 shops will be restaurants and dining outlets, half will be fashion, and the balance will be dedicated to service-based amenities.

Retailers set to open in Commercial Bay include Dior Perfumes and Beauty, Sandro & Maje, Kate Spade, Furla, Hershel Supply Co. New Zealand brands include Federation, 3 Wise Men and Barkers. Wittner, Solect, Scarpa will also join previously announced retailers at the complex, Rodd & Gunn, Superette and Just Another Fisherman. Hair salon Loxy's will be opening a Commercial Bay salon.

Food and beverage operators Al Brown, Ben Bayly, Saxon & Parole, Ghost Donkey, Burger Burger, Hawker and Roll, Simon and Lee and Honest Chocolat are all part of the mix of both international and homegrown vendors. Commercial Bay's food hall concept Harbour Eats, located on the second level of the complex, will house around 27 operators including food truck brands Kai Eatery and Got Pasta, and will have up to 700 seats. Other vendors include cafes, popular Middle Eastern eatery Fatima's and juice bar Cali Press.



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Please contact our registrar, Computershare

- To change investment details such as name, postal address or method of payment, and
- For questions on your dividend and shareholding

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If you have any questions please feel free to email us at hello@precinct.co.nz